

1 **P. U. 3(2007)**  
2  
3

4 **IN THE MATTER OF** the *Public*  
5 *Utilities Act*, (R.S.N.L.) 1990,  
6 Chapter P-47 (the “*Act*”), and  
7

8 **AND**  
9

10 **IN THE MATTER OF** an application  
11 by Newfoundland and Labrador Hydro (“Hydro”)  
12 for the approval, pursuant to the *Act*, of rates flowing  
13 from the Rate Stabilization Plan (“RSP”) components of  
14 the rates to be charged to Island Interconnected Industrial  
15 Customers (“Industrial Customers”).  
16

17  
18 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is  
19 a public utility within the meaning of the *Act*, and is also subject to the provisions of the  
20 *Electrical Power Control Act, 1994*; and  
21

22 **WHEREAS** on December 6, 2006 Hydro filed a revised general rate application seeking  
23 approval of rates for its customers in the province (the “GRA”), including Firm and Non-Firm  
24 Rates for Industrial Customers;  
25

26 **WHEREAS** the rates proposed in the GRA, including the Industrial Customer rates, are based  
27 on agreements with the customers reached in the context of a negotiated settlement process  
28 established by the Board; and  
29

1 **WHEREAS** on December 14, 2006 in Order No. P.U. 41(2006) the Board approved, on an  
2 interim basis, Non-Firm Rates for Industrial Customers and certain aspects of Firm Rates,  
3 including the Base Rate, for Industrial Customers; and

4  
5 **WHEREAS** the other two aspects of the Firm Rates for Industrial Customers, being the Rate  
6 Stabilization Plan adjustment (the “RSP Adjustment”) and the Energy Rate, which is the total of  
7 the Base Rate and the RSP Adjustment, were not approved in Order No. P.U. 41(2006) as Hydro  
8 did not apply for approval of these rates since they are based on actual year end balances in the  
9 RSP which are not known until after the conclusion of the previous year end; and

10

11 **WHEREAS** on January 15, 2007 Hydro applied to the Board for approval of the RSP  
12 Adjustment and Energy Rates for Industrial Customers effective for consumption on or after  
13 January 1, 2007; and

14

15 **WHEREAS** the RSP Adjustment is derived from three components of the RSP, the Current Plan  
16 Balance, the Historical Plan Balance, and a Fuel Rider; and

17

18 **WHEREAS** Hydro proposed in the GRA that the per kilowatt hour charge for the Fuel Rider for  
19 2007 be set at zero because the Cost of Service for the 2007 Test Year will reflect the most up to  
20 date forecast of fuel prices thereby eliminating the variance between the Test Year Cost of  
21 Service price of fuel and the most recent forecast that would have resulted in a Fuel Rider; and

22

1   **WHEREAS** on January 18, 2007 in Order No. P.U. 1 (2007) the Board approved Hydro's  
2   proposal to exclude the Historical Plan Balance portion of the RSP Adjustment from rates  
3   charged to Aur Resources Inc., a new Industrial Customer which was not in operation during the  
4   build-up of the Historical Plan Balance; and

5  
6   **WHEREAS** pursuant to Section 75 of the *Act* the Board may approve on an interim basis  
7   revised rates, including the RSP components of rates; and

8  
9   **WHEREAS** the Board has considered Hydro's application and the supporting information and is  
10   satisfied that approval, on an interim basis, of the proposed rates to the Industrial Customers is  
11   reasonable and appropriate in the circumstances.

12  
13

14   **IT IS THEREFORE ORDERED THAT:**

15

- 16   1.     Pursuant to section 75 of the *Act*, the Board hereby approves on an interim basis the RSP  
17     Adjustment and Energy Rates for Hydro's Industrial Customers as set out in the attached  
18     Schedule "A" to be effective for consumption on or after January 1, 2007.
- 19   2.     Hydro shall pay the expenses of the Board incurred in connection with this matter.

**DATED** at St. John's, Newfoundland and Labrador, this 29<sup>th</sup> day of January 2007.

---

Robert Noseworthy  
Chair & Chief Executive Officer

---

Darlene Whalen, P.Eng.  
Vice-Chair

---

G. Cheryl Blundon  
Board Secretary

**Schedule “A”**

**Order No. P. U. 3(2007)**

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**INDUSTRIAL – FIRM - INTERIM**

**Availability:**

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

**Rate:**

**Demand Charge:**

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.68 per month per kilowatt of billing demand.

**Firm Energy Charge:**

|                            |                     |
|----------------------------|---------------------|
| Base Rate*                 | @ 3.676 ¢ per kWh   |
| RSP Adjustment             |                     |
| Historical Plan.....       | @ 1.215 ¢ per kWh   |
| Current Plan.....          | @ (2.000) ¢ per kWh |
| Fuel Rider.....            | @ 0.000 ¢ per kWh   |
| Total RSP Adjustment ..... | @ (0.785) ¢ per kWh |
| Energy Rate.....           | @ 2.891 ¢ per kWh   |

**\*Subject to RSP Adjustment:**

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro’s Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

**Specifically Assigned Charges:**

The table below contains the additional specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

|                                     | <b>Annual Amount</b> |
|-------------------------------------|----------------------|
| Abitibi-Consolidated (Grand Falls)  | \$ 1,244             |
| Abitibi-Consolidated (Stephenville) | \$ 104,647           |
| Corner Brook Pulp and Paper Limited | \$ 347,167           |
| North Atlantic Refining Limited     | \$ 150,976           |

**Adjustment for Losses:**

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied.

**General:**

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**INDUSTRIAL – FIRM - INTERIM**  
**AUR RESOURCES INC.**

**Availability:**

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

**Rate:**

**Demand Charge:**

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.68 per month per kilowatt of billing demand.

**Firm Energy Charge:**

|                            |                     |
|----------------------------|---------------------|
| Base Rate*                 | @ 3.676 ¢ per kWh   |
| RSP Adjustment             |                     |
| Historical Plan.....       | @ 0.000 ¢ per kWh   |
| Current Plan.....          | @ (2.000) ¢ per kWh |
| Fuel Rider.....            | @ 0.000 ¢ per kWh   |
| Total RSP Adjustment ..... | @ (2.000) ¢ per kWh |
| Energy Rate.....           | @ 1.676 ¢ per kWh   |

**\*Subject to RSP Adjustment:**

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

**Specifically Assigned Charges:**

The table below contains the additional specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

|                    | <b>Annual Amount</b> |
|--------------------|----------------------|
| Aur Resources Inc. | \$ 186,169           |

**Adjustment for Losses:**

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied.

**General:**

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**